

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

BIG LOTS, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-11967 (JKS)

(Jointly Administered)

Re: D.I. 1312 & 1337

**DEBTORS' REPLY TO OBJECTION TO
DEBTORS' ASSUMPTION AND ASSIGNMENT OF
LEASE IN VERO BEACH**

Big Lots, Inc. and certain of its affiliates (collectively, the “**Debtors**” or “**Big Lots**”), each of which is a debtor and debtor in possession in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), file this reply (this “**Reply**”) to the objection (the “**Objection**”) of Premium Asset Management, Inc. (“**PAM**”) to the Notice proposing to assume and assign the unexpired lease of real property located at store #5230 in Vero Beach, Florida (the “**Vero Beach Lease**”). In support of this Reply, and in further support of the Motion and the Notice, the Debtors respectfully state as follows:

INTRODUCTION

1. On September 9, 2024, the Debtors filed the *Motion of Debtors for Entry of Interim and Final Orders (I) Establishing Procedures to Sell Certain Leases, (II) Approving the Sale of Certain Leases, and (III) Granting Related Relief* (the “**Motion**”) [D.I. 13]. This Court entered an

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective employer identification numbers, are as follows: Great Basin, LLC (6158); Big Lots, Inc. (9097); Big Lots Management, LLC (7948); Consolidated Property Holdings, LLC (0984); Broyhill LLC (7868); Big Lots Stores - PNS, LLC (5262); Big Lots Stores, LLC (6811); BLBO Tenant, LLC (0552); Big Lots Stores - CSR, LLC (6182); CSC Distribution LLC (8785); Closeout Distribution, LLC (0309); Durant DC, LLC (2033); AVDC, LLC (3400); GAFDC LLC (8673); PAFDC LLC (2377); WAFDC, LLC (6163); INFDC, LLC (2820); Big Lots eCommerce LLC (9612); and Big Lots F&S, LLC (3277). The address of the debtors’ corporate headquarters is 4900 E. Dublin-Granville Road, Columbus, OH 43081.

interim order approving the December Lease Auction on November 20, 2024 [D.I. 1198], pursuant to which the Debtors held an auction (the “**Auction**”) for certain unexpired lease assets on December 4, 2024. The Debtors filed the Notice listing the Auction results on December 5, 2024 [D.I. 1312]. Among the bids declared by the Debtors as Successful Bids was the bid of Aldi Inc. (“**Aldi**”) for the Vero Beach Lease in the amount of \$800,000.

2. Before the transfer of the Vero Beach Lease could be finalized and receive approval from this Court, the Debtors sold (the “**Sale**”) substantially all of their assets to Gordon Brothers Retail Partners, LLC (“**GBRP**”), which Sale closed on January 3, 2025.² As part of the Sale, GBRP acquired Designation Rights to “all Leased Real Property.”³ Because the Vero Beach Lease had not yet been transferred and because it was not listed as an Excluded Asset in the Asset Purchase Agreement, GBRP acquired the Designation Rights to the Vero Beach Lease, and by extension, the authority to determine the disposition of this lease.

REPLY

3. The Debtors understand that GBRP has reached an agreement with PAM to pursue a lease termination agreement for the Vero Beach Lease (subject to finalizing documentation) and no longer seeks to pursue the sale of the Vero Beach Lease to Aldi that had been pending, but not approved or consummated, prior to the Sale of the Designation Rights. It is GBRP’s right under the Asset Purchase Agreement approved by this Court to designate leases, including the Vero Beach Lease, in accordance with the procedures approved in the Sale Order, and the Debtors therefore view the Objection as moot.

² See *Notice of Closing of Sale of Debtors’ Assets to Gordon Brothers Retail Partners* [D.I. 1588].

³ See Section 2.01(a)(iv) of the Asset Purchase Agreement filed at D.I. 1556.

4. In light of the changed circumstances and GBRP's decision to proceed with designating this lease to PAM, the Debtors urge this Court to deem the Objection as moot.

RESERVATION OF RIGHTS

5. The Debtors reserve all rights to make any arguments in Court in connection with the Objection, whether or not raised herein.

CONCLUSION

6. For the reasons set forth herein, the Debtors respectfully request that the Court overrule the Objection and grant any further relief as the Court may deem just and proper.

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Dated: January 15, 2024
Wilmington, Delaware

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